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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/600,505

06/20/2003

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GP-302248

5477

74175 7590 02/03/2009
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EXAMINER

KARDOS, NEIL R

ART UNIT

PAPER NUMBER

3623

MAIL DATE

DELIVERY MODE

02/03/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/600,505	Applicant(s) ELKINS ET AL.	
	Examiner Neil R. Kardos	Art Unit 3623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 December 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) 10-21 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-9 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

This is a **NON-FINAL** Office action on the merits in response to communications filed on December 3, 2008. Currently, claims 1-9 are pending.

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on December 3, 2008 has been entered.

Response to Amendment

Applicant's amendments to the claims have been acknowledged and are addressed below.

Claim Objections

Claims 1-9 are objected to because of the following informalities:

Claims 1-9: The claims contain numerous typographical and grammatical errors.

Applicant should carefully check each claim for such errors and amend the claims where appropriate.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

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Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1: Claim 1 is directed toward the statutory category of a process. In order for a claimed process to be patentable subject matter under 35 U.S.C. § 101, it must either: (1) be tied to a particular machine, or (2) transform a particular article to a different state or thing. *See In Re Bilski*, 88 U.S.P.Q.2d 1385 (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method/process is not patentable subject matter under § 101. Thus, to qualify as a statutory process under § 101, the claim should positively recite the machine to which it is tied (e.g. by identifying the apparatus that accomplishes the method steps), or positively recite the subject matter that is being transformed (e.g. by identifying the material that is being changed to a different state). Nominal recitations of structure in an otherwise ineligible method fail to make the method a statutory process. *See Benson*, 409 U.S. at 71-72. Thus, incidental physical limitations such as insignificant extra-solution activity and field of use limitations are not sufficient to convert an otherwise ineligible process into a statutory one.

Here, the claimed process fails to meet the above requirements for patentability under § 101 because it is not tied to a particular machine and does not transform underlying subject matter.

Claims 2-9: Dependent claims 2-9 are rejected for failing to remedy the deficiencies of the claims from which they depend.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-9 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claim 1: Claim 1 recites "calculating a forecast contribution margin for each of the plurality of manufacturing plants **using the acquired data, calculated location availabilities for manufacturing, forecast and actual production of components**" as well as "calculating an actual contribution margin for each of the plurality of manufacturing plants under a business interruption loss **using the acquired data, calculated local availabilities, forecast and actual production of components.**" The specification does not disclose the emphasized claim limitations. The claimed process is described in paragraphs 39 and 40 of the specification as originally filed. Although there is support for calculating forecast and actual contribution margins, there is no disclosure of how they are determined, including a lack of disclosure as to the emphasized limitations, above. Thus, the specification does not describe the claimed subject matter in such a way as to reasonably convey to one skilled in the art at that the inventors had possession of the claimed invention at the time the application was filed.

Claims 2-9: Dependent claims 2-9 are rejected for failing to remedy the deficiencies of the claims from which they depend.

Claims 1-9 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claim 1: Claim 1 recites "calculating location availabilities for manufacturing" and "calculating constrained availabilities due to production limitations." The specification does not describe how to perform these steps in such a way that would allow one skilled in the art to use the invention without undue experimentation. For example, the specification does not provide any direction on how such calculations are to be performed. Neither does the specification provide any examples of such calculations. The specification does not even make clear what "location availabilities" means -- does it refer to geographical locations for potential new manufacturing plants or does it refer to existing plant locations that could potentially produce products? Based on the content of the disclosure, one skilled in the art would be required to undergo undue experimentation in order to perform the calculations of these limitations.

Claim 1 also recites "calculating a forecast contribution margin for each of the plurality of manufacturing plants using the acquired data, calculated location availabilities for manufacturing, forecast and actual production of components" as well as "calculating an actual contribution margin for each of the plurality of manufacturing plants under a business

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interruption loss using the acquired data, calculated local availabilities, forecast and actual production of components.” However, the specification provides absolutely no guidance on how the acquired data, location availabilities, and production of components are used to calculate contribution margins. Neither does the specification provide any examples of such calculations. Calculating contribution margins based on the claimed limitations is not a simple endeavor that one of ordinary skill in the art would be able to perform without any guidance. Based on the content of the disclosure, one skilled in the art would be required to undergo undue experimentation in order to perform the calculations of these limitations.

Claims 2-9: Dependent claims 2-9 are rejected for failing to remedy the deficiencies of the claims from which they depend.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-9 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1: Claim 1 recites “calculating location availabilities for manufacturing” and “calculating constrained availabilities due to production limitations.” It is not clear what “location availabilities” and “constrained availabilities” mean. For example, do they refer to geographical locations for potential new manufacturing plants or do they refer to existing plant locations that could potentially produce products? The meaning of these terms is further blurred

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by the definitions given to them by claims 4-6. How are "location availabilities" equivalent to "excess capacity" (see claim 4)? How are "location availabilities" equivalent to "the carrying cost of excess capacity" (see claim 5)? How are "location availabilities" equivalent to "the cost to mitigate risks by the purchasing of insurance" or "the cost to mitigate risks by using multiple component suppliers" (claim 6)? One of ordinary skill in the art would not understand the meaning of the terms "location availabilities" and "constrained availabilities" as claimed.

Claim 4: It is not clear how "calculating location availabilities" is equivalent to "calculating excess capacity" (see also rejection of claim 1, above).

Claim 5: It is not clear how "calculating location availabilities" is equivalent to "calculating the carrying cost of excess capacity" (see also rejection of claim 1, above).

Claim 6: It is not clear how "calculating location availabilities" is equivalent to "calculating the cost to mitigate risks by the purchasing of insurance" or "calculating the cost to mitigate risks by using multiple component suppliers" (see also rejection of claim 1, above).

Claims 2-9: Dependent claims 2-9 are rejected for failing to remedy the deficiencies of the claims from which they depend.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kurtz, “A Systems Dynamics Approach to Business Interruption Risk” in view of Casada, “Facility Risk Review as an Approach to Prioritizing Loss Prevention Efforts.”

Claim 1: Kurtz discloses a method for evaluating an organization's institutional risk comprising the steps of:

- acquiring data with respect to a manufacturing system having a plurality of manufacturing plants, logistics routes, and transportation methods (see “A Systems Dynamic Approach” on pages 1-2, disclosing building a model taking into account inventory levels, interdependencies between locations, etc.; see also "An Example" on page 2, ¶ 1, disclosing product flows between distribution centers with a network of handling centers and trucking operations);
- calculating location availabilities for manufacturing (see id.);
- calculating constrained availabilities due to production limitations (see id.);
- calculating forecasted and actual production of components (see page 1, ¶ 1, disclosing forecasting sales; “A Systems Dynamic Approach” on pages 1-2, disclosing simulating product flow, taking into account inventory levels, make-up levels, and seasonal demand; page 4, ¶ 1, disclosing net sales and net production);

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- assessing the product mix for at least one of the plurality of manufacturing plants (see page 4, ¶ 1, disclosing product-line data and net production; “A Systems Dynamic Approach” on pages 1-2, disclosing simulating product flow);
- calculating a forecast contribution margin for each of the plurality of manufacturing plants using the acquired data, calculated location availabilities for manufacturing, forecast and actual production of components (see page 1, ¶ 1, disclosing calculating the business interruption loss from lost profits that would have been made, according to forecasted sales; page 1, ¶ 2, disclosing maximum foreseeable loss; page 2, ¶ 1, disclosing calculating a business interruption loss for each loss scenario; page 2, ¶¶ 2-3, applying an actual example);
- conducting an evaluation as to property loss risks measures by evaluating the forecast contribution margin and the actual contribution margin (see id.).

Kurtz does not explicitly disclose calculating an actual contribution margin for each of the plurality of manufacturing plants under a business interruption loss using the acquired data, calculated local availabilities, forecast and actual production of components. However, Kurtz does teach calculating a forecasted contribution margin. Examiner takes Official Notice that it was well-known in the art at the time the invention was made to use actual data to obtain forecasts for that data. Thus, by teaching forecasting a contribution margin, Kurtz suggests calculating an actual contribution margin. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use actual data in conjunction with forecasted data when performing the business interruption risk analysis of Kurtz. One of ordinary skill in the art

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would have been motivated to do so for the benefit of a more accurate model of business interruption risk.

Kurtz does not explicitly disclose producing the claimed risk classification map. However, Kurtz does disclose a graph of probabilities for frequency, severity, downtime, and recovery associated with risks (see page 3). Casada teaches the risk classification maps as claimed (see figures 1-7). It would have been obvious to one of ordinary skill in the art at the time the invention was made to utilize the depictions of risk disclosed by Casada to depict the risks identified by Kurtz. One of ordinary skill in the art would have been motivated to do so for the benefit of being able to quickly evaluate and understand risks through pictures/graphs.

Claim 2: Kurtz discloses wherein acquiring data on at least one of one of a manufacturing site inside the organization and a manufacturing site outside the organization (see page 2, ¶ 2, disclosing gathering data on distribution centers). Furthermore, this limitation is merely an intended use of the claimed invention and is not sufficient to distinguish the claimed invention from the prior art because the prior art is capable of performing the intended use. The source of the data does not result in any manipulative difference between the claimed invention and the prior art. *See MPEP 2111.02(II)*. Thus, Kurtz meets the claim.

Claim 3: Kurtz discloses wherein acquiring data is acquiring data from one of a rail line or port of entry for components (see page 2, ¶ 2, disclosing gathering data on trucking operations). Furthermore, this limitation is merely an intended use of the claimed invention and is not sufficient to distinguish the claimed invention from the prior art because the prior art is

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capable of performing the intended use. The source of the data does not result in any manipulative difference between the claimed invention and the prior art. *See MPEP 2111.02(II)*. Thus, Kurtz meets the claim.

Claim 4: Kurtz discloses wherein calculating location availabilities for manufacturing is calculating excess capacity (see page 1, “A Systems Dynamics Approach”, disclosing taking into account inventory levels; page 1, ¶ 1, disclosing “make-up capacity”).

Claim 5: Kurtz discloses wherein calculating location availabilities for manufacturing is calculating the carrying cost of excess capacity (see “A Systems Dynamics Approach” on pages 1-2, disclosing determining cash flows based on inventory levels and make-up capacity).

Claim 6: Kurtz discloses wherein calculating location availabilities for manufacturing is one of calculating the cost to mitigate risks by the purchasing of insurance and calculating cost to mitigate risks by using multiple component suppliers (see page 1, ¶ 1, disclosing calculating extra expenses involved in trying to mitigate the effect of the original loss, as well as sole-sourcing and buying materials on the market; page 1, ¶ 2, disclosing insurance).

Claim 7: Kurtz discloses wherein calculating actual contribution margin for each of the plurality of manufacturing plants is one of calculating actual contribution margin for each assembly plant with no business resumption or calculating actual contribution margin for each assembly plant with no mitigation effort (see page 1, ¶ 2, disclosing the maximum foreseeable

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loss or worst-case scenario; page 2, ¶ 2, disclosing that one of the centers goes down or becomes inoperable).

Claim 8: Kurtz discloses wherein conducting an evaluation as to property loss risks measures is conducting an evaluation as to one of contribution margin lost, total vehicles lost, and total number of sites impacted (see page 1, ¶ 1, disclosing calculating the business interruption loss; page 2, ¶ 2).

Claim 9: Kurtz discloses rating property locations based on a property loss risks measures (see page 2, ¶ 3, disclosing determining probability distributions for business interruption for each facility).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Paradine, T.J. "Business Interruption Insurance: A Vital Ingredient in Your Disaster Recovery Plan." Information Management & Computer Security, 3:1 (1995), p. 9.
- Ali, Hamdi F. "A Multicontribution Activity-Based Income Statement." Journal of Cost Management (Fall 1994), pp. 45-54.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Neil R. Kardos whose telephone number is (571) 270-3443. The examiner can normally be reached on Monday through Friday from 9 am to 5 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Beth Boswell can be reached on (571) 272-6737. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Neil R. Kardos
Examiner
Art Unit 3623

NRK
1/31/09
/Jonathan G. Sterrett/
Primary Examiner, Art Unit 3623